

PETE HOEKSTRA

SECOND DISTRICT

MICHIGAN

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111th Congress
Congress of the United States
House of Representatives

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HOUSE COMMITTEE ON
EDUCATION AND LABOR

February 17, 2010

Mr. Edward E. Whitacre, Jr.
Chairman
General Motors Corporation
PO Box 33170
Detroit, Michigan 48232-5170

Dear Chairman Whitacre:

A vibrant General Motors is important to the country and Michigan's economy. I continue to support your efforts to reinvent and return to the prosperous and dynamic automotive company in which we all know you are capable. However, I must question your treatment of your loyal dealerships heading into the arbitration process.

On December 16, 2009, President Obama signed into law (P.L. 111-117) an independent arbitration process between manufacturers and closed dealerships. Michigan dealerships have filed for arbitration, but it is my understanding that no Michigan wind-down dealerships have actually gone before an arbiter. Yet, GM is now awarding new franchises in market areas where a wind-down dealer has filed for arbitration. It is clear this action circumvents the intent of the law and that GM may not be entering the arbitration process with an open mind.

I am troubled by the potential consequences of your actions. A wind-down dealership could be reinstated by an independent arbiter because they found the dealership to be profitable, experienced and economically viable. However, the dealer may not be able to reopen because they have been undercut with the opening of a new franchise in the market area.

I respectfully ask that you reconsider this tactic and go into the arbitration process in good faith. Dealerships are leaders in their communities and provide invaluable economic contributions and deserve a fair chance to succeed.

Sincerely,



Pete Hoekstra
Member of Congress



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